



## U.S. Department of Justice

*United States Attorney  
Eastern District of Wisconsin*

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### NEWS SUMMARY:

Steven M. Biskupic, United States Attorney for the Eastern District of Wisconsin, announced today that a Kenosha police officer has been indicted on charges relating to violations of the Officer Next Door Program and a former Kenosha police officer was indicted on charges arising out of an investigation of the Officer Next Door Program.

The Officer Next Door Program (ONDP), administered through the Department of Housing and Urban Development (HUD), sells homes that it owns in designated revitalization areas to law enforcement officers at a 50% discount and a \$500.00 down payment. In exchange, the law enforcement officer is required to reside in the home as his primary residence for at least three years from the date of the closing of the property. If a police officer leaves a Officer Next Door Program property prior to completing the three year mandatory occupancy period, the officer is required to repay HUD a portion of the discount received at the time of sale. If this occurs after the second anniversary, but prior to the third anniversary of occupancy of the property, the officer is required to repay HUD 30% of the discounted sale price.

**David H. Krueger** (DOB: 11/20/57), a Lieutenant with the City of Kenosha Police Department, was charged today in a two-count indictment for defrauding the Officer Next Door Program. According to the indictment, Krueger allegedly signed a Sales Contract with HUD's Officer Next Door Program on December 16, 1998, to purchase a house located at 7119 26<sup>th</sup> Avenue in Kenosha at a 50% discount off the sales price of \$72,000. On January 29, 1999, Krueger purchased the house for \$36,000. Krueger violated provisions of the Officer Next Door Program by not using the house as his primary residence. He rented the property from approximately April 1999 through June 2001, and wrongfully obtained rent proceeds of \$17,550.00.

The indictment further alleges that Krueger made materially false declarations to HUD to allow him to withdraw from the ONDP. As a result of selling the house for \$89,900, Krueger wrongfully obtain a profit of \$43,100.00

**Stacy L. Orr** (DOB: 1/20/71), a former police officer with Kenosha Police Department, was charged in a two-count indictment on August 5, 2003, for making false statements when applying to the Department of Veterans Affairs (VA) for a home guaranty loan and a loan to refinance the property purchased through the Officer Next Door Program. Orr allegedly did not fully disclose his liabilities of outstanding loans. The mortgage subsequently went into default, the property went into foreclosure, and the VA paid \$16,293.33 as a result of the guaranty on the mortgage.

Based on these charges, Krueger faces up to 7 years' imprisonment and fines totaling \$500,000. Orr faces up to a total of 10 years' imprisonment and fines totaling \$500,000.

These cases were investigated by the Department of Housing and Urban Development, Office of the Inspector General and have been assigned to Assistant United States Attorney Lisa T. Warwick for prosecution.

The public is cautioned that an indictment is merely the formal method of returning charges against an individual and does not constitute inference of his or her guilt. An individual is presumed innocent until such time, if ever, that the government established his or her guilt beyond a reasonable doubt.

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